

Minutes of Audit Committee Meeting of June 5, 2017

One Twin Pines Lane

City Hall, Suite 360

CALL TO ORDER 10:03 A.M.

ROLL CALL

COMMITTEE MEMBERS PRESENT: Violet, Kim, Hurt

STAFF PRESENT: Finance Director Fil, Deputy Finance Director Paras, City Manager Scoles, City Attorney Rennie, Management Analyst Voelker

OTHERS PRESENT: Members of the public

ORAL COMMUNICATION/PUBLIC COMMENTS

Perry Kennan, Belmont resident, expressed his disappointment with the term Benefit Stabilization, as used in the City's Comprehensive Annual Financial Report (CAFR) and stated that he still has not been able to obtain clarification from the City's audit firm on this term.

Tim Strinden, Belmont resident, stated that he was recording the meeting in progress.

CONSENT CALENDAR

Mr. Strinden distributed a handout prepared by himself regarding his objection to the minutes and requested that the draft minutes not be approved due to lack of detail.

ACTION: Moved by Committee Member Hurt, seconded by Committee Member Kim, by unanimous voice vote, the March 27th meeting minutes were noted and filed.

OTHER BUSINESS

FY 2018 Budget Review

Director Fil provided a brief overview of the FY 18 Budget and provided an opportunity for the Committee to spend time reviewing budget details and the City's fiscal plan. He noted that City Council directed staff to transfer \$1.4M from the General Fund into the Infrastructure Repair Fund (Fund 310), matching \$1M of Measure I revenues.

In response to a question by Committee Member Kim, discussion on tax revenues and General Fund reserves ensued.

Director Fil continued his review of the budget and fielded questions from the Committee on personnel, Measure I revenues, and upcoming street projects.

Perry Kennan, Belmont resident, recommended that the City include prior year actuals in the annual budget, as well as report on unfunded liabilities.

Tim Strinden, Belmont resident, recommend that the Audit Committee not approve the FY18 Budget and that they request further clarification from Director Fil on financial discrepancies.

ACTION: On a motion by Committee Member Kim, seconded by Committee Member Hurt, by unanimous voice vote, the Audit Committee recommended approval of the FY18 Budget as presented, with the transfer of \$1.4M from the General Fund to the Infrastructure Repair Fund (Fund 310) for one-time reserve use.

Audit Firm RFP

Chair Violet noted that the City is coming up on the end of its 5-year annual renewable contract with Maze & Associates for auditing services. He requested that the Finance Department issue a Request for Proposals (RFP) for auditing services, review those proposals, and bring back no more than five proposals to interview firms so that the Audit Committee may select a firm to begin working on the FY18 audit next year.

Moved by Chair Violet, seconded by Committee Member Hurt, by unanimous voice vote, the Audit Committee directed the Finance Department to prepare a RFP for audit services to reputable firms for consideration by the Audit Committee.

COMMITTEE UPDATES AND STAFF ITEMS

Meeting Calendar

Chair Violet noted that date and time of the next scheduled meeting in October is to be determined, and will include the audit results and review of the Comprehensive Annual Financial Report (CAFR). Management Analyst Voelker will query the Committee for an available date, with a target of October 2nd-4th.

ADJOURNMENT 12:02 p.m.

Thomas Fil
Finance Director